

## OIG Recovery Act Plan Overview

<b>OIG Name:</b>	Department of State (including the U.S. Section of the International Boundary and Water Commission (USIBWC))
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<b>OIG Broad Recovery Act Goals:</b>	The overall objectives of OIG's oversight of Department of State Recovery Act funds are to ensure: 1) timely, effective implementation of Recovery Act projects and activities in compliance with ARRA requirements; 2) timely, accurate reporting on the use of Recovery Act funds and the progress of ARRA-funded projects and activities; 3) establishment of proper internal control procedures to mitigate instances of fraud, waste, error, and abuse; and 4) confirmation that contractors and other fund recipients meet eligibility requirements and comply with award requirements.
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<b>OIG Broad Training and Outreach Recovery Act Goals:</b>	OIG has initiated an ongoing dialogue with Department and USIBWC managers and coordinators responsible for Recovery Act implementation, providing targeted information on fraud awareness, contract/procurement best practices, and internal controls. Hotline posters and publications and OIG's Internet and intranet Web sites are being updated to highlight and facilitate Hotline reporting of waste, fraud, abuse, and mismanagement related to the Recovery Act funding and projects. Fraud awareness briefings are being expanded and focused to highlight fraud indicators and vulnerabilities specific to Recovery Act. OIG is an active participant in RATB Working Group activities and coordinates across the Inspector General and oversight communities on Recovery Act oversight initiatives.
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<b>OIG Recovery Act Risk Assessment Process:</b>	To ensure effective identification, monitoring, and mitigation of the major financial and programmatic risks related to Recovery Act funds, OIG has met with senior managers responsible for Department ARRA coordination and individual bureaus receiving Recovery Act funds to gain an understanding of the Department's implementation plans and determine where control weaknesses may exist. OIG holds periodic consultations with the Office of the Under Secretary for Management (M/PRI) and the Chief Financial Officer (CFO) to coordinate overall Recovery Act oversight, including the receipt of regular reports on the current status of funds obligated and expended. Based on these consultations, information provided by the Department and IBWC, and an internal analysis of the Department and IBWC implementation plans, OIG has identified the most significant programs upon which to focus its oversight efforts. Initial oversight projects include audits and inspections to: 1) assess the overall controls that the Department and USIBWC have in place to track and report Recovery Act funds, and 2) highlight key challenges, including the adequacy of procurement personnel, facing the Department in overseeing ARRA-funded programs and projects.
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<b>OIG Staff Dedicated to Recovery Act Oversight:</b>	OIG has approximately one-half FTE dedicated to Recover Act Oversight.
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<b>OIG Recovery Act Funds:</b>	\$2,000,000
<b>Expiration Date of OIG Recovery Act Funds:</b>	30-Sep-10

<b>OIG Recovery Act Funds Allocated to Contracts:</b>	Yes
<b>Purpose of Recovery Act Contracts:</b>	Contractors will be used to augment existing OIG staff, as necessary, and to provide specialized subject matter expertise not available in-house (e.g., architects and engineers).
<b>Types of Recovery Act Contracts Awarded to Date:</b>	One contract (indefinite quantity, indefinite delivery) has been awarded to date. Several others are expected to be awarded shortly.

<b>Link to OIG Recovery Act Work Plan:</b>	
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OIG FY 2010 Recovery Act Work Plan

	A	B	C	D	E	F	G	H	I	J	K	L	M	Q
	Agency	Program Area	Recovery Act Funds Associated w/Program Area	Type of Review	Entity Performing Review	Project Title	Background	Objectives	Review Included on Prior Recovery Act Plan (Y/N)	Expected Quarter Work Begins	Expected Quarter(s) Reports Issued	Expected Number of Reports		
1	State Dept.	Bureau of Administration	\$342 million	Administrative/ Financial	OIG Staff	Inspection of the Office of Real Property Management (A/RPM) in the Bureau of Administration	A/RPM, in coordination with GSA, will be involved in property site selection, construction, and renovation projects being funded with \$342 million in ARRA funds.	The inspection will evaluate controls and systems in A/RPM including those related to ARRA projects. ARRA-specific inspection fieldwork was limited because most ARRA funding was released after the inspection fieldwork phase was completed.	Yes	Qtr. III 2009	Qtr. I 2010	1		
2	State Dept.	Bureau of Administration	\$600 million	Other Review	OIG Staff	Procurement Personnel Survey	Section 1523(a)(2)(D) of the Recovery Act requires the Recovery Accountability and Transparency Board to review whether there are sufficient qualified acquisition and grant personnel overseeing ARRA funds. Given its limited staff, RATB has requested IG community assistance in conducting a Procurement and Grant Staff Inspections Checklist/Survey at their respective agencies, which will serve as the foundation for the mandated report.	OIG administered the RATB survey. The results will be incorporated into a broader report on the adequacy of acquisition and grant personnel governmentwide to provide oversight of Recovery Act funds. OIG also initiated a separate review to evaluate whether the Department has qualified and trained contract personnel overseeing Recovery Act funds.	Yes	Qtr. IV 2009	Qtr. I 2010	1		
3	State Dept.	Bureau of Administration	\$600 million	Other Review	OIG Staff	Compliance Follow-up Review of the offices of the Procurement Executive, Acquisitions Management, and Small and Disadvantaged Business Utilization.	OIG inspected the offices of the Procurement Executive (OPE), Acquisitions Management (AQM), and Small and Disadvantaged Business Utilization (SDBU) in 2006. OPE evaluates and monitors the Department's acquisition activities while AQM acquires 80% of the Department's products and services worldwide.	The compliance follow-up review will determine if the Department has complied with OIG's 2006 recommendations (some of which could impact ARRA procurements).	No	Qtr. IV 2009	Qtr. I 2010	1		
4	State Dept.	U.S. Section of the International Boundary and Water Commission	\$220 million	Administrative / Financial	Contractor	Audit of the International Boundary and Water Commission's Controls for Tracking and Reporting ARRA Funds	The U.S. Section of the International Boundary and Water Commission (USIBWC) received \$220 million in ARRA funds. These funds are planned for upgrading the Rio Grande Flood Control System infrastructure along 506 miles of flood control levees maintained by the USIBWC along the Upper and Lower Rio Grande River.	This audit will evaluate whether the International Boundary and Water Commission has adequate controls in place to track and report on its \$220 million in Recovery Act funds.	Yes	Qtr. IV 2009	Qtr. I 2010	1		
5	State Dept.	Dept-wide	\$600 million	Administrative / Financial	OIG Staff	Interim Report of the Department of State's Controls for Tracking and Reporting ARRA Funds	The Department received \$600 million in ARRA funds, which are planned for several large programs and projects that include the Rio Grande Flood Control System, Data Center, Hard Skills Training Center, and Cyber Security Tools. The majority of the Department's ARRA funding will be obligated and expended under multiple vendor procurements for equipment and services.	This interim limited scope review will evaluate whether the Department has adequate controls in place to track and report on its \$600 million in Recovery Act funds.	Yes	Qtr. I 2010	Qtr. III 2010	5		
6	State Dept.	Dept-wide	\$600 million	Administrative / Financial	OIG Staff	Review of Agency Plans for Ensuring Data Quality	OMB Memorandum M-09-12 requires Federal agencies to develop internal policies and procedures for reviewing quarterly data reported by recipients of Recovery Act funds and to perform limited data quality reviews to identify material omissions and/or significant reporting errors and notify the recipients of the need to make appropriate and timely changes.	OIG will review the Department of State's process for monitoring recipient reporting of Recovery Act funds for the quarter ending September 30, 2009, to determine whether the Department has established a process to perform limited data quality reviews intended to identify material omissions and/or significant reporting errors, and to notify the recipients of the need to make appropriate and timely changes.	Yes	Qtr. IV 2009	Qtr. III-IV 2010	4		
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8	State Dept.	Bureau of Consular Affairs	\$15 million	Administrative / Financial	Contractor	Audit of Consular Affairs Passport Facilities	The Department is constructing five new passport agencies (Vermont, Buffalo, El Paso, Atlanta, and San Diego) and expanding two existing locations (Portsmouth and Hot Springs), at a total cost of \$15 million.	The audit will focus on the contracts awarded to construct five new passport agencies and expand two existing locations. For the five new locations, the audit will review the site selection process. For all contracts, the audit will determine whether contracted funds were awarded and distributed in a prompt, fair, and reasonable manner. Specific audit objectives include: Was a small business plan developed and were awards made competitively and based on the plan? Were the recipients and uses of all funds transparent to the public, and were the public benefits of these funds reported clearly, accurately, and in a timely manner? Has the program assessed and identified the risks associated with the projects receiving Recovery Act funding and communicated the results to the Department? Were the funds used for authorized purposes? Has the program taken action to identify and mitigate instances of fraud, waste, error, and abuse? Were established schedules monitored and delays properly justified? Were cost overruns and unnecessary delays avoided and lessons learned identified to prevent recurrence? Were program goals and specific program outcomes achieved? Were Department standard processes and procedures for	No	Qtr. I 2010	Qtr. III 2010	1		
9	State Dept.	Bureau of Diplomatic Security	\$70 million	Administrative / Financial	Contractor	Audit of Hard Skills Training Center Construction -- Site Development and Contract Competition	Total project cost is \$105.5 million of which \$70 million is from ARRA funds. ARRA and other Department funds will be used to develop a master plan and an Architectural & Engineering (A&E) study to frame the project scope cost and timelines. After the scope and timelines have been established then open source competitions will be used for site selection and contract awards.	This audit will initially focus on the architecture and engineering contract and, subsequently, on the site selection process and other contracts, to determine whether funds were awarded and distributed in a prompt, fair, and reasonable manner. The audit will review if whether a small business plan was developed (including cost sharing arrangements) and whether awards were competitive and based on the plan. For specific audit objectives, see above.	No	Qtr. II 2010	Qtr. II-IV 2010	5		
10	State Dept.	National Foreign Affairs Training Center	\$5 million	Administrative / Financial	Contractor	Audit of National Foreign Affairs Training Center Construction projects	The Department is constructing and/or renovating classrooms and providing other infrastructure upgrades.	The audit will review Department plans and justifications to construct and/or renovate training center classrooms and provide other infrastructure upgrades. For all contracts let for each project, the audit will determine whether contracted funds are were awarded and distributed in a prompt, fair, and reasonable manner. For specific audit objectives, see above.	No	Qtr. I 2010	Qtr. IV 2010	1		
11	State Dept.	Bureau of Information Resources	\$120 million	Administrative / Financial	Contractor	Audit of Enterprise Data Center Program	The data center program will build an enterprise data center in the western U.S. and consolidate all domestic Department servers into four enterprise data centers in the U.S. The program will provide a highly available, scalable, and redundant data center infrastructure that will substantially reduce the Department's risk of IT failure and provide for future IT growth. Building the facilities should begin about September 2011 for 18 months and the centers begin operations about May 2012.	The audit will review Department plans and justifications to build an enterprise data center in the western United States and consolidate all domestic Department servers into four enterprise data centers. For all contracts awarded by September 2010, the audit will determine whether funds were awarded and distributed in a prompt, fair, and reasonable manner. For specific audit objectives, see above.	No	Qtr. I 2010	Qtr. IV 2010	1		

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12	State Dept.	Bureau of Information Resources	\$10 million	Administrative / Financial	OIG Staff	Audit of the Diplomatic Facility Telephone Systems Replacement	The Department will replace antiquated telephone systems at a number of overseas Diplomatic missions. Many of the current systems are 13-15 years old and have been expanded to maximum capacity. In addition, systems have experienced increased maintenance requirements by qualified technicians at significant cost. This replacement will bring the Department closer to achieving the industry standard lifecycle replacement of 10 years.	The audit will review Department plans and justifications to replace telephone systems at overseas diplomatic missions. The audit will determine whether contracted funds were awarded and distributed in a prompt, fair, and reasonable manner. For specific audit objectives, see above.	No	Qtr. II 2010	Qtr. IV 2010	1		
13	State Dept.	Bureau of Information Resources	\$64.2 million	Administrative / Financial	Contractor	Audit of Department of State Tools to Guard Against and Track Cyber Attacks	The Department is initiating a major program to reduce the potential for successful cyber attacks against the Department and overseas against the foreign affairs community. The program will fund technical initiatives to strengthen the Department's infrastructure network that can better protect information on U.S. citizens and national security.	The audit will review Department plans and justifications to fund technical initiatives to strengthen the Department's infrastructure network to better protect information on U.S. citizens and national security. The audit will determine whether contracted funds were awarded and distributed in a prompt, fair, and reasonable manner. For specific audit objectives, see above.	No	Qtr. II 2010	Qtr. IV 2010	1		
14		Bureau of Information Resources	\$25.4 million	Administrative / Financial	OIG Staff	Audit of Department of State Computer Security Systems Upgrade to Provide Secure Telephone Communications	The Department will deploy secure state-of-the-art computer security systems between Department domestic facilities and embassies worldwide. The primary focus is to provide senior Department management next generation secure telephones.	The audit will review Department plans and justifications to fund technical initiatives to provide senior overseas Department management with next generation secure telephones. The audit will determine whether contracted funds were awarded and distributed in a prompt, fair, and reasonable manner. For specific audit objectives, see above.	No	Qtr. II 2010	Qtr. IV 2010	1		
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